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CHINAGAS
中國燃氣

CHINA GAS HOLDINGS LIMITED

中國燃氣控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 384)



中裕燃氣控股有限公司

ZHONGYU GAS HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8070)

Rich Legend International Limited

(Incorporated in the British Virgin Islands with limited liability)

JOINT ANNOUNCEMENT

**Delay in despatch of the composite offer and response document
in respect of the**

**conditional voluntary general offer by
Macquarie Capital Securities Limited
on behalf of**

**Rich Legend International Limited, a wholly-owned subsidiary of
China Gas Holdings Limited**

to acquire all of the issued shares in the share capital of

Zhongyu Gas Holdings Limited

**(other than those shares already held by Rich Legend International Limited
and parties acting in concert with it)**

and

to acquire all of the outstanding convertible bonds of Zhongyu Gas Holdings Limited

and

for the cancellation of all the outstanding share options of

Zhongyu Gas Holdings Limited

Reference is made to the Joint Announcement. Zhongyu has applied to the Executive for an extension of the deadline to despatch the Composite Document from 2 March 2010 to no later than 16 April 2010.

Reference is made to the announcement dated 26 January 2010 (the “**Joint Announcement**”) jointly issued by Zhongyu, China Gas and the Offeror in relation to the Offers. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Joint Announcement.

As stated in the Joint Announcement, it is the intention of Zhongyu, China Gas and the Offeror that the Composite Document containing details of the Offers, a letter from the independent board committee of Zhongyu and a letter from the independent financial adviser to the independent board committee of Zhongyu in respect of the Offers will be despatched to all Zhongyu Shareholders, Zhongyu Bondholders and Zhongyu Optionholders within 35 days from the date of the Joint Announcement pursuant to Rule 8.2 of the Takeovers Code.

Pursuant to paragraph 6(a) of Schedule II to the Takeovers Code, Zhongyu is required to include the latest published audited financial statements in the Composite Document. As at the date of this announcement, the latest audited financial statements published by Zhongyu is the audited financial statements of the Zhongyu Group as contained in the annual report of Zhongyu for the year ended 31 December 2008 and Zhongyu is expected to publish its annual results announcement and the annual report for the year ended 31 December 2009 on or before 29 March 2010 and 31 March 2010, respectively. In order to provide sufficient information to the Zhongyu Shareholders, the Zhongyu Bondholders and the Zhongyu Optionholders to reach an informed decision on the Offers, Zhongyu considers that the Composite Document should include the audited financial statements of the Zhongyu Group for the year ended 31 December 2009.

As the annual results announcement and the annual report of the Zhongyu Group for the year ended 31 December 2009 is expected to be published on or before 29 March 2010 and 31 March 2010, respectively, in order to include the financial statements of the Zhongyu Group for the year ended 31 December 2009 into the Composite Document, the Composite Document cannot be despatched within 35 days from the date of the Joint Announcement, i.e. by 2 March 2010. An application has therefore been made for the consent of the Executive to waive the requirement of Rule 8.2 of the Takeovers Code and to extend the deadline for the despatch of the Composite Document from 2 March 2010 to no later than 16 April 2010.

By order of the board of
China Gas Holdings Limited
Liu Ming Hui
Managing Director

By order of the board of
Rich Legend International Limited
Liu Ming Hui
Director

By order of the board of
Zhongyu Gas Holdings Limited
Wang Wenliang
Chairman

Hong Kong, 1 March 2010

The directors of each of China Gas and the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to Zhongyu Group) and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by Zhongyu Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.

As at the date of this announcement, the board of directors of China Gas comprises 13 directors, of whom Mr. Li Xiao Yun (Chairman), Mr. Xu Ying (Vice-Chairman), Mr. Liu Ming Hui (Managing Director), Mr. Zhu Wei Wei and Mr. Ma Jin Long are executive directors, Mr. Feng Zhuo Zhi, Mr. Joe Yamagata, Mr. R.K. Goel, Mr. Kim Joong Ho and Mr. William Rackets are non-executive directors, Mr. Zhao Yu Hua, Dr. Mao Er Wan and Ms. Wong Sin Yue Cynthia are independent non-executive directors.

As at the date of this announcement, the board of directors of the Offeror comprises 3 directors, namely Mr. Xu Ying, Mr. Liu Ming Hui and Mr. Zhu Wei Wei.

The Zhongyu Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to China Gas Group and the Offeror) and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the China Gas Group and the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.

As at the date of this announcement, the board of directors of Zhongyu comprises 8 directors, of whom Mr. Wang Wenliang (Chairman), Mr. Hao Yu (Chief Executive Officer) and Mr. Lu Zhaocheng and Mr. Lui Siu Keung (Chief Financial Officer) are executive directors, Mr. Xu Yongxuan (Vice-Chairman) is a non-executive director, Mr. Wang Shunlong, Dr. Luo Yongtai and Mr. Hung, Randy King Kuen are independent non-executive directors.

This announcement, for which the directors of Zhongyu collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to Zhongyu. The directors of Zhongyu, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:– (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for 7 days from the date of its publication and on the Company’s website at <http://www.zygas.com.cn>.

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